

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

OCT 18 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 ) CC Docket No. 93-157  
Rules For the Filing of Inter- )  
national Circuit Status Reports )

DOCKET FILE COPY ORIGINAL

INFORMAL COMMENTS

Sprint Communications Company L.P. ("Sprint"), pursuant to the Public Notice released by the Commission on September 28, 1995 (DA 95-2054), hereby comments on the Draft Manual For Filing Section 43.82 Circuit Data. As discussed below, Sprint objects to the level of detail proposed by the International Bureau and considers much of the information to be confidential and beyond the scope of what is required under §43.82 of the Commission's Rules.

In its Circuit Status Report Order,<sup>1</sup> the Commission identifies three purposes for collecting international circuit information. First, it intends to use the information to monitor the payment of regulatory fees. Second, the Commission will rely on the circuit report to monitor use of facilities as the §214 authorization

<sup>1</sup> In the Matter of Rules For the Filing of International Circuit Status Reports, Report and Order, released August 9, 1995, FCC 95-280, "Circuit Status Report Order."

No. of Copies rec'd  
List ABCDE

027

procedures are streamlined. Third, the Commission states that the information it collects will be used to "support our efforts to achieve a more competitive international telecommunications marketplace" (at para. 5). All three goals can be achieved with much less detail than the Bureau is proposing here.

The first goal, ensuring proper payment of regulatory fees, can be reached with information identifying the number of 64 kbps circuits or equivalent circuits the carrier has activated. Specifically, \$1.1156 of the Commission's Rules requires carriers to pay the regulatory fee for "International Circuits (per active 64KB circuit or equivalent)." Hence, other information, such as the service(s) being provided over the circuits and the number of derived circuits,<sup>2</sup> is irrelevant to this goal.

To achieve the second goal of monitoring use of facilities, no more detail should be required than that currently provided as part of the S214 application. There carriers specify the total channel requirement by facility. Again, further detail concerning the services provided and the derived circuits is not required.

---

<sup>2</sup> In its Report and Order in MD Docket No. 95-3, In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1995, FCC 95-227, released June 19, 1995, the Commission specifically excluded derived circuits from regulatory fees (at para. 115).

The third goal relating to stimulation of international competition through the availability of circuit information is not well defined, and it is unclear exactly how much information is required to meet this goal. However, in the Notice of Proposed Rulemaking in IB Docket No. 95-118<sup>3</sup> adopted concurrently with the Circuit Status Report Order, the Commission states that "information from carriers identifying the countries that international carriers actually are servicing through circuit status reports...aids us in our efforts to foster a more competitive international telecommunications marketplace" (at para. 5). Based on this statement, it would seem that international circuits classified by country and type of facility would be sufficient to achieve the Commission's goal. This would be consistent with what the carriers that have historically filed circuit status reports have provided.

The Bureau, however, is requesting international circuit data segmented into at least 15 service categories/subcategories. In addition to the categories Message Telephone Service ("MTS"), Message Telegraph Service and Telex Service, the Bureau proposes that carriers be required to identify private line services by six categories of

---

<sup>3</sup> In the Matter of Streamlining the International Section 214 Authorization Process and Tariff Requirements, FCC 95-286, released July 17, 1995.

private line: Voice, up to 1200 bps, 1201 bps to 9600 bps, 9601 bps to 30 Mbps, greater than 30 Mbps to 120 Mbps, and greater than 120 Mbps). The Bureau would also have the carriers provide the number of circuits used for each service in "Other" category (e.g., packet switched, occasional use television, switched video, switched and virtual private line, and switched digital services<sup>4</sup>). Further, the Bureau seeks the number of circuits the carriers derive from their actual circuits.

Sprint questions the value of the proposed service categorization when facility-based carriers will not know the category of service for circuits resold to other non-facility carriers or for circuits provided to large business customers for multiple services. For example, a reseller may use a circuit for any of the service categories identified by the Bureau; however, it will be reported as a private line by the underlying facility-based carrier. Similarly, a large business customer may lease an international private line and use it for multiple services, including voice, data and video. In addition, the

---

<sup>4</sup> Some of these "Other" services appear to be included in the MTS category. The Draft Manual states that "[t]he international message telephone service category can also include switched digital services that utilize ISDN interfaces and switched global defined network services" (at p. 9). Thus, the distinction between MTS and Other seems somewhat blurred.

Commission has approved the resale of private lines for the provision of switched basic service where it can be demonstrated that the country at the other end of the private line affords equivalent resale opportunities,<sup>5</sup> and private line circuits are being used to provide switched services. The lack of information for resold circuits and circuits which are used for multiple services by business customers will seriously distort the information provided by the reporting carriers.

In order to properly classify the circuits by service, the Bureau would go so far as to require carriers to examine the revenue per circuit per service if a service is used for multiple purposes. Specifically, the Draft Manual states that "if a [circuit] is used to provide international message telephone service during the week and for private line circuits over the weekend, and the private line contract produced more billed revenue than did the international message telephone service, the circuit would be reported as a private line circuit" (at page 14). It is unreasonable for the Commission to expect international carriers with thousands of circuits and billions of dollars

---

<sup>5</sup> In the Matter of Regulation of International Accounting Rates, Phase II, First Report and Order, 7 FCC Rcd 5599 (1991); Order on Reconsideration and Third Further Notice of Proposed Rulemaking, 7 FCC Rcd 7927, 7930 (1992); pet. for recon pending.

in international revenue to keep track of the revenue per service per circuit. Substantial effort and expense will be required to ensure the accuracy of the data in compliance with the proposed instructions. Far from reducing the regulatory burden, this requirement will create new paperwork requirements which contradict the Commission's deregulatory posture and the spirit of the Paperwork Reduction Act.

The level of detail proposed in the Draft Manual is far greater than that currently provided by Sprint and other carriers. Sprint, for example, has historically reported its international circuits as (1) MTS, (2) Private Line, (3) GVPN, (4) IVPN and (5) Idle. GTE Hawaiian Tel and AT&T have reported four categories: (1) MTS, (2) Private Line, (3) Idle, and (4) Wideband. Sprint routinely requested confidential treatment of its circuit status reports. The more detailed information proposed here is even more competitively sensitive. Carriers providing international service should not be required to make public such detailed information.

Such detailed information is confidential and could be used to competitive disadvantage of smaller carriers if it is made public. For example, larger competitors' knowledge of the capacity and specific information about the services provided by smaller competitors could be used by the larger

carriers to denigrate their competitors' services. Similarly, the reports can be used to undermine a carrier's new service offering(s) by a competitor that has been in the market for a longer period of time. If carriers are ordered to identify the specific number of circuits used for specific services, such information could be matched with the traffic and revenue information in the \$43.61 reports, and usage and revenue per circuit could be derived. Again, such comparisons of market share and revenue can be used against smaller carriers. Information about derived circuits simply affords competition additional information about the competition and the types of equipment and facilities carriers are using. Thus, the detailed information sought by the Commission will likely be used by larger and more established carriers to gain an unfair competitive advantage.

Sprint recognizes that the Commission addressed the issue of confidentiality in its Circuit Status Report Order and concluded that the reports should be made public (at paras. 14-16). However, there is no indication in the order that the Commission considered reporting requirements such as the ones proposed by the Bureau here which are far more detailed than those of either the monthly circuit reports or the semi-annual \$63.15(b) circuit addition reports. If the reports are to be made public, the Commission should not

require information any more detailed than what it has previously required carriers to file.

It is not clear to Sprint why the Bureau is proposing to require data for circuits between Domestic U.S. points and Off-shore U.S. points. §43.82(a) states that carriers providing international service between (1) "the area comprising the continental United States, Alaska, Hawaii, and off-shore U.S. points" (i.e., U.S. points) and (2) "any country or point outside that area" shall file the annual report. §43.82(b) states that the circuit information shall be for circuits "to geographic points outside the United States." Nothing in §43.82 calls for circuit information between U.S. points. Thus, the Draft Manual's request for information for Off-shore U.S. to Domestic U.S. points is not contemplated by the rule and should be eliminated.

If the Bureau believes that the international market is more competitive now than when streamlined regulation was adopted for international non-dominant carriers in 1985,<sup>6</sup> it would seem appropriate to reduce the regulatory requirements on international carriers. However, rather

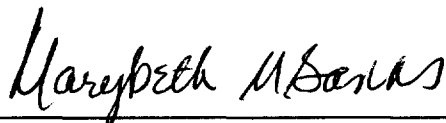
---

<sup>6</sup> In the Matter of International Carrier Policies, 102 FCC 2d 812 (1985). There are forces that are working against competition, particularly AT&T's ability to obtain lower accounting rates than other international carriers, a practice which the Commission has thus far tolerated. Hopefully, the Commission will enforce its policy of non-discriminatory accounting rates in the future and thereby promote international competition.

than eliminate unneeded information, the Bureau is proposing to inflate the level of detail and to require carriers to make public competitively sensitive information. Because facility-based carriers will not know what services the resale carriers use the circuits for and because international resale of private lines is increasing, the data will be inaccurate and consequently of minimal value. Therefore, Sprint urges the Commission to limit the filing requirements to the following: (1) the number of 64 Kbps circuits or equivalent, (2) the type of facility (e.g., submarine cable, satellite circuits, or terrestrial cable, microwave and other), and (3) the number of active and idle circuits.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY L.P.



---

Leon M. Kestenbaum  
Marybeth M. Banks  
1850 M Street, N.W., Suite 1110  
Washington, D.C. 20036  
(202) 857-1030

October 18, 1995

**CERTIFICATE OF SERVICE**

I, Joan A. Hesler, hereby certify that on this 18th day of October, 1995, a true copy of the foregoing document was sent via First Class Mail, Postage Prepaid, or Hand Delivered, to each of the parties listed below.

  
Joan A. Hesler

Shannon Coombs  
Administrative Office  
International Bureau  
Federal Communications Comm.  
Room 812-C  
2000 M Street, N.W.  
Washington, D.C. 20554

James Lande  
Industry Analysis Division  
Common Carrier Bureau  
Federal Communications Comm.  
Room 530-G  
1919 M Street, N.W.  
Washington, D.C. 20554

Gail Polivy  
GTE Service Corporation  
1850 M Street, N.W.  
Washington, D.C. 20036

Bob Gosse  
International Bureau  
Federal Communications Comm.  
2000 M Street, N.W.  
Washington, D.C. 20554

Alexander P. Humphrey  
GE American Communications  
1331 Pennsylvania Ave., N.W.  
Suite 1006N  
Washington, D.C. 20004

Paula V. Brillson  
MCI Telecommunications Corp.  
1801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

Robert S. Koppel  
IDB Communications Group  
15245 Shady Grove Road  
Suite 460  
Rockville, MD 20850-3222

Keith H. Fagan  
Comsat World Systems  
6560 Rock Spring Drive  
Bethesda, MD 20817

Michael A. Donnell  
AT&T  
Room 3235B3  
295 North Maple Avenue  
Basking Ridge, NJ 07920

International Transcription Svc.  
Suite 140  
2100 M Street, N.W.  
Washington, D.C. 20037